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### **LifeStore Financial Group Reports Solid First Quarter**

**November 15, 2018 - West Jefferson, NC** - LifeStore Financial Group, Inc. reported net income of \$995,049 for the quarter ended September 30, 2018 compared to \$725,202 for the quarter ended September 30, 2017, an increase of 37.21%.

Bob Washburn, President and CEO noted, "We are pleased to report these operating results. The increase follows one of our most successful years where we reported a 35.9% increase in earnings over the prior year.

The bank reports an increase in both deposits and loans during the period. Loans grew \$4.6 million or 2.5% from September 2017 to September 2018. Our deposit growth was solid growing \$10.1 million or 5.0% compared to last year.

LifeStore Insurance also reported solid earnings for the quarter with commission income increasing \$61,333, or 5.2% during the quarter.

In the coming year, LifeStore will begin renovating its location at 840 East Main Street in Jefferson. The renovations will include: expanded drive thru lanes, adding an ATM and updating the interior. Washburn adds, "We are excited about making these improvements to the Jefferson branch and plan to make them without interrupting service to our customers."

*LifeStore Financial Group, Inc. headquartered in West Jefferson, provides banking, investment and insurance services. It is a state chartered holding company that owns 100% of the common stock of LifeStore Bank (Member FDIC and Equal Housing Lender) and LifeStore Insurance Services, Inc. LifeStore Bank operates branches in Boone, Jefferson, Warrentonville and West Jefferson. LifeStore Insurance is an independent insurance agency that serves these markets along with Elkin, Lenoir, North Wilkesboro and Sparta.*

*Except for historical information, all of the statements, expectations, and assumptions contained in this press release are forward-looking statements. Actual results might differ materially from those explicit or implicit in the forward-looking statements. Important factors that could cause actual results to differ materially include, without limitation: the effects of future economic conditions; governmental fiscal and monetary policies; legislative and regulatory changes; the risks of changes in interest rates; management of growth; fluctuations in our financial results; reliance on key personnel; our ability to compete effectively; privacy, security and other risks associated with our business.*

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## LifeStore Financial Group, Inc. and Subsidiaries

	As of	
	September 30, 2018	September 30, 2017
	(Dollars in thousands)	
<b><i>Selected Financial Condition Data:</i></b>		
Total assets	\$ 286,130	\$ 281,296
Loans receivable, net <sup>1</sup>	184,634	180,080
Investment Securities <sup>2</sup>	51,944	49,276
Cash and cash equivalents	22,548	24,563
Deposits	213,041	202,975
Borrowings	42,171	49,563
Equity	26,317	23,771
Book value per share	\$ 25.82	\$ 23.33
Return on assets	1.38%	1.04%
Return on equity	15.20%	12.40%
Efficiency ratio <sup>3</sup>	71.23%	74.51%
	Three Months Ended	
	September 30, 2018	September 30, 2017
	(Dollars in thousands)	
<b><i>Selected Operating Data:</i></b>		
Interest income and dividends	\$ 2,841	\$ 2,606
Interest expense	645	564
Net interest income	2,196	2,042
Provision for loan losses	20	112
Net interest income after provision for loan losses	2,176	1,930
Insurance commissions	1,249	1,187
Other non-interest income	813	870
Non-interest expense	3,033	3,054
Income before income tax expense	1,205	933
Income tax expense	210	208
Net Income	995	725
Basic earnings per share of common stock	\$ 0.98	\$ 0.71